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FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/47/751/Add.1). During its consideration of the item, representatives of the Secretary-General provided additional information to the Committee.

2. Paragraphs 1 to 37 of the Secretary-General's report provide the standard information regarding, inter alia, the mandate of ONUSAL, operational plan for the United Nations observation of the election and the enlargement of ONUSAL, status of assessed and voluntary contributions, financial performance report for the period 1 December 1992 to 31 May 1993, cost estimate for the period 1 June to 30 November 1993, including the establishment of the electoral component, cost estimate for the period 1 December 1993 to 30 April 1994 and for the liquidation of the Mission, disposition of assets, financial administration and observations on the ONUSAL/ONUCA special account.

3. In section XII of his report, the Secretary-General requests that the following actions be taken by the General Assembly in connection with the financing of ONUSAL (para. 38):

(a) To appropriate and apportion the amount of $20,248,300 gross ($18,341,900 net) for the enlargement of ONUSAL for the period 1 June to 30 November 1993;

(b) To appropriate and/or grant commitment authorization, as appropriate, of such amounts, and the apportionment thereof for the period after 30 November 1993, should the Security Council decide to extend ONUSAL beyond that date;

(c) To appropriate and/or grant commitment authorization, as appropriate, of such amounts, and the apportionment thereof, to meet the costs related to the liquidation of ONUSAL, should the Council decide to close the Mission;

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(d) To retain the unutilized balance of $1,813,985 in the ONUSAL/ONUCA special account in the light of the outstanding assessments;

(e) To apply to ONUSAL the proposed special arrangements as regards article IV of the Financial Regulations of the United Nations (para. 33).

Expenditure from 1 December 1992 to 31 May 1993

4. The savings (overruns) incurred in respect of the main objects of expenditure of ONUSAL from 1 December 1992 to 31 May 1993 are summarized in annex I as follows:

	(United States dollars)
Military observers	(98 300)
Civilian personnel costs	1 990 100
Premises/accommodation	32 400
Transport operations	(345 300)
Helicopter operations	132 900
Communications	14 500
Other equipment	27 300
Supplies and services	(109 900)
Freight and cartage	17 500
Death and disability awards	-
Support account	-
Staff assessment	200 100
Gross total	1 832 300
Income from staff assessment	200 100
Net total	1 632 200

5. The Committee notes that according to the financial performance report for the period 1 December 1992 to 31 May 1993, the projected expenditure for a number of major items varies considerably from the cost estimates and apportionment for that period. For example there are substantial savings under personnel costs and an overexpenditure under transportation. The Committee therefore reiterates its observation in its previous report on ONUSAL (A/47/900, para. 9) that the cost estimates for peace-keeping operations should reflect more accurately the actual requirements while allowing some flexibility in carrying out a mission, taking into account the financial performance during previous mandate periods and similar operations. Furthermore, substantial savings or overexpenditures in an operation should be well explained in the Secretary-General's performance report.

6. According to annex II, paragraph 1, additional requirements of $184,700 under mission subsistence allowance for military observers were partially offset by projected savings of $86,400 under travel. The Committee notes that the mission subsistence allowance rates for the first 30 days were increased retroactively from $64 to $70 effective 1 February 1992, to $80 effective 1 November 1992 and to $85 effective 1 May 1993 and after the first 30 days from $61 to $68 effective 1 May 1993. In this connection, the Committee recalls its

observation in its previous reports on ONUSAL (A/45/1021, para. 10; A/46/904, para. 10; and A/47/900, para. 15) that it was not fully convinced of the need to grant ONUSAL staff substantially higher rates than for other United Nations staff in El Salvador, and under the circumstances requested the Secretary-General to review this allowance. The Committee points out that the outcome of the field survey which was conducted in the mission area in April 1993 (see para. 28 below) should have been explained in the report and the increase well justified, in particular in view of its observation that the previous rates were too high.

7. The Committee also questions the legal basis to increase the mission subsistence allowance rates retroactively for more than one year, effective 1 February 1992, taking into account that the International Civil Service Commission (ICSC) updates the daily subsistence allowance, on a monthly basis, for all duty stations. The Committee is of the view that following budget approval the mission subsistence allowance rates cannot be changed retroactively unless there is legal basis, which should be indicated in the report.

8. As indicated in annex II, paragraph 2, the projected savings of $293,400 under civilian police resulted from the delay in the deployment of 50 additional police monitors. The Committee reiterates its view that the planned deployment schedule and the actual date of arrival of all personnel in the mission area should be indicated in the report, substantiating any savings or overexpenditures.

9. With regard to international civilian personnel, the Committee notes savings totalling $1,696,700 on the basis of an average vacancy of 32 personnel over the six-month period which were partially offset by the retroactive increases in the mission subsistence allowance rates (annex II, para. 2 (b)).

10. The Committee notes that projected savings totalling $52,200 under premises/accommodation were partially offset by additional requirements of $19,800 for cleaning and security services due tc higher charges than originally estimated (annex II, para. 3). The Committee is of the view that the overexpenditures for cleaning and security services under premises are high compared to the original provisions for cleaning ($9,000) and security ($42,000), including contractual services of 13 security guards for ONUSAL headquarters and parking area at $7,000 per month (see A/47/751, annex IV, para. 16).

11. In this connection, the Committee recalls its observation in its last reports (A/45/1021, para. 14; A/46/904, para. 20; and A/47/900, para. 21) and its concern that two years after its inception ONUSAL continues to pay for parking space at its headquarters. The Committee requested the Secretary-General to pursue his efforts with the host country to obtain premises for the operation of the Mission and the accommodation of the staff without cost to ONUSAL pursuant to the model status-of-forces agreement for peace-keeping operations (A/45/594) and to report in this regard in his next report on the financing of ONUSAL (see para. 31 below).

12. Overexpenditures totalling $345,300 were incurred under transport operations due to the high level of traffic accidents, incidents of pilferage of spare parts and increased cost of repairs as well as high mileage in the usage

of vehicles (annex II, para. 4). Upon inquiry, the Committee was informed that traffic regulations were frequently not observed in the mission area and pilferage of spare parts could not always be avoided in the special circumstances. The Committee is of the view that these irregularities and the substantial additional costs may relate to a management problem in the Mission which needs to be addressed.

13. The Committee reiterates its view (A/47/900, para. 22) that the establishment of 447 vehicles at ONUSAL (annex XV) is high and the number of vehicles could be reduced in proportion to the reduction of personnel and continued vacancies in the Mission; for example, 178 vehicles are provided to the civilian administration at ONUSAL headquarters and one vehicle is allocated to each of the 38 military observers.

14. The Committee recalls its observation that the provision for vehicle maintenance appeared to be high, taking into account that the large majority of the vehicles were purchased in 1992 and that repair and maintenance costs are usually low in the first year of operation. The Committee notes that the reductions for repair, maintenance, petrol, oil and lubricants during this mandate period (A/47/900, para. 23) are not indicated in the Secretary-General's performance report.

15. Bearing in mind the Committee's recommendation in its last report (A/47/900, para. 24), the Committee notes that the helicopter fleet was gradually reduced from six to two, resulting in savings totalling $132,900 (annex II, para. 5).

16. Additional requirements of $17,500 for communications parts and supplies, due to higher prices than originally estimated, were partially offset by savings of $3,000 under workshop equipment (annex II, para. 6); no supplementary information thereon was available. The Committee reiterates its view that there is a need to standardize and update the unit prices for equipment to ensure more accurate and reliable estimates.

17. As indicated in annex II, paragraph 8, there were additional requirements totalling $109,900 under supplies and services for medical supplies and examinations ($25,400), due to increased medical treatment provided to military personnel and civilian police who arrived in the mission area without the required vaccinations and general supplies ($99,000). The Committee reiterates its view that there is a need for standard guidelines for peace-keeping operations, especially what arrangements need to be made for standard equipment and services for mission personnel which would facilitate and expedite the launching of an operation.

Cost estimates from 1 June to 30 November 1993

18. According to annex III, the cost estimates for the period 1 June to 30 November 1993 total $20,248,300 gross ($18,341,900). The Committee was informed that the mission is proceeding as scheduled; 10 military observers departed the mission area in June 1993 and their current strength is 38. The representatives of the Secretary-General stated that the United Nations-supervised elections in El Salvador would be held in March 1994 as planned (para. 13).

19. According to annex IV, section II, paragraph 2 (a), the cost estimate provides for 353 civilian police monitors at full costs throughout the mission. Upon inquiry, the Committee was, however, informed that as at 10 July 1993 there were only 312 police monitors in the mission area and the Secretary-General continues to have difficulties to obtain qualified civilian police from Governments for peace-keeping operations. The Committee therefore believes that a vacancy rate of about 10 per cent should have been included under civilian police ($4,848,900), resulting in substantial savings.

20. According to annex X, the proposed revised staffing table of ONUSAL reflects an increase of 37 international and 7 local posts to the level of 357 as a result of the reduction of one D-2 post for the Chief Military Observer and the addition of 38 posts in the Electoral Division, including the Director at the D-2 level, effective 1 June 1993. The Committee is of the view that the proposed number of additional civilian personnel and the number of staff at regional offices (36 international professional) is high, bearing in mind that ONUSAL is monitoring and not organizing the electoral process. In this connection, the Committee reiterates its observation in a previous report on ONUSAL (A/46/904, para. 16) that the proposed establishment of new posts, in particular at the senior level, should be well justified, including a description of the functional responsibilities of new posts in the context of the overall structure of the mission. The Committee is of the view that the summary in annex XI is not sufficiently detailed, in particular for the new posts of Director (D-2) and Deputy Director (D-1) of the Electoral Division.

21. The Committee also believes that in view of the changing scope and functions of the Mission, staff members could be assigned different functions, as required, such as political affairs, election supervision and monitoring of human rights with a view to containing the number of additional posts, particularly at the senior level, bearing in mind that the personal level or recognition of an incumbent should not determine the level of a particular post (A/46/904, para. 16; A/47/900, para. 18).

22. In this connection, the Committee recalls its recommendation in its last report that the Secretary-General review the grades of the large number of senior staff of ONUSAL, which is a relatively small mission and at an advanced stage of its operation, with a view to streamlining its structure and making it more cost-effective (A/47/900, para. 18); however, there is no indication in the Secretary-General's report that such a review was carried out and no additional information was available. Furthermore, the number of senior staff at ONUSAL is proposed to increase from 28 to 34, including 5 senior posts for the Electoral Division (annex XIII).

23. The Committee further reiterates its view (A/47/900, para. 17) that the number of staff in the Administrative Division (42 international and 75 local), or more than one third of the total civilian establishment of ONUSAL, is high and should be reduced; however, the number of international staff remains at that level and the local staff in the division is increasing (annex XIII). As regards the Division for Human Rights (16 international and 5 local staff), the Committee notes that there is a need for job descriptions for the international professional posts as well as for the consultants in this area (see para. 27 below).

24. The Committee inquired whether there is a relationship between the Head of the Division for Human Rights of ONUSAL, the Commission for Human Rights which has appointed a rapporteur for El Salvador and the Centre for Human Rights. The Committee trusts that there is no duplication in their work programme and requests that the additional information will be provided in the performance report for the current mandate period.

25. Upon inquiry, the Committee was informed that 12 United Nations volunteers have been pre-selected as external recruits for ONUSAL to perform some of the civilian functions. In view of the positive experience with volunteers in election monitoring, the Committee recommends that the recruitment of volunteers should be encouraged to supplement the civilian staff in support functions rather than to fill vacancies.

26. Upon inquiry, the Committee was informed that the budgeted vacancy rate under civilian personnel costs (other than police - see para. 19 above) for the period 1 June to 30 November 1993 is 10 per cent. According to annex XII, as at 1 June 1993, a total of 296 staff are on board and 15 vacant posts and 44 additional posts are planned to be filled by August 1993. The Committee recalls that for the previous period the vacancy rate had to be adjusted from 5 per cent for international staff to 26 per cent for professional staff and 31 per cent of General Service and Field Service staff due to difficulties in recruiting and assigning qualified staff to the mission area, resulting in substantial savings (A/47/900, para. 14). The Committee was further informed that, unless it is indicated otherwise in annex XII, the civilian staff and related costs are based on New York standard costs, which are on average higher than those from other duty stations. In view of the aforesaid, the Committee believes that there is a potential for savings under civilian personnel costs.

27. With regard to consultants and experts estimated at $74,600 (annex IV, section II, para. 2 (b) (vi)), the Committee notes that provision is made for consultancy in the areas of human rights, legal and political affairs and land distribution to assist the Division for Human Rights and the Office of the Chief of Mission. This covers two international consultants for two months for labour and union issues and institutional evaluation and academic support ($24,000), one local consultant for the issue of habeas corpus ($6,000) and another for planning, organizing and executing the programme to issue identity documents to the local population ($6,600), two experts on military sociology ($8,000) as well as two local consultants for five months for "complex multi-disciplinary issues such as producing analyses, option recommendations, follow-up actions and producing highly technical reports" ($30,000). The Committee was not fully convinced of the need for the above consultancies and recalls its observation (A/47/900, para. 19) that the rates are high and that a major part of these functions could be performed by the large civilian establishment of ONUSAL. The Committee therefore reiterates its request that the Secretary-General achieve maximum economy in this area.

28. The Committee is of the view that the findings of the field survey in the mission area in April 1993 (annex IV, sect. I, para. 1) should have been indicated in the report, including a justification for the retroactive increase of the mission subsistence allowance rates (see para. 6 above).

29. The Committee is of the view that the proposed average travel cost to and from the mission area ($626,700) at $2,500 one-way and $5,000 round-trip per person is high (annex IV, sect. I, para. 2), taking into account the number of staff assigned from headquarters and the substantial savings realized thus far under travel of military personnel, civilian police and international staff for the period 1 January to 30 November 1992 (A/47/751, annex I and annex II, para. 3; and A/47/900, para. 8 - a savings of 89 per cent of the budgeted amount under international and local staff), as well as for the period 1 December 1992 to 31 May 1993 (annex I and annex II, para. 2). The Committee believes that there is a potential for substantial savings under travel cost.

30. As regards premises/accommodation at $288,600 (annex IV, sect. II, para. 3), the Committee notes that provision is made for the continued rental of ONUSAL headquarters together with parking space ($129,300), three regional and two subregional offices, two military regional offices and seven police centres, hangars, parking space near the port for vehicles and storage of materials, a warehouse at San Salvador, new office premises and office space for the Electoral Division.

31. Bearing in mind its observations in its last three reports on ONUSAL (A/45/1021, para. 14; A/46/904, para. 20; A/47/900, para. 21), the Committee reiterates its serious concern that over two years after its inception, ONUSAL continues to pay high rental charges for a large number of premises as well as for parking space and storage (see para. 11 above). The Committee has, in the past stated its expectation that every effort would be pursued with the host country to obtain premises without cost to ONUSAL under the model status-of-forces agreement for peace-keeping operations (A/45/594); the Secretary-General states in his report that the matter has not been resolved yet and provision is made for premises/accommodation at the same level throughout the mission until 31 July 1994 (annex VI, sect. II, para. 3; and annex VIII, para. 3). In view of the aforesaid, the Committee reiterates its request that the Secretary-General resume his efforts to obtain premises free of cost to ONUSAL.

32. The Committee notes that provision is made for spare parts, repairs and maintenance of vehicles ($555,200) at $207 per vehicle per month for 447 vehicles for six months (annex IV, sect. II, para. 4 (b)). The Committee points out that the rate for vehicle maintenance has been doubled from $103 during the previous period to $207 per month although the Committee was of the view in its last report (A/47/900, para. 23) that the rate of $103 appeared to be high (A/46/900, annex IV, para. 31). The Committee therefore requests that the proposed rates be reviewed based on actual requirements in the mission area which should result in savings. The Committee also believes that it would be useful to prepare standard rates for vehicle maintenance based on the average costs of all operations with variations according to the special requirements of each mission (see para. 14 above).

33. According to annex IV, section II, paragraph 4 (d), provision is made for petrol, oil and lubricants ($165,300) at $58 per vehicle per month for 447 vehicles. The Committee observes that the rates for petrol, oil and lubricants differ considerably for each operation and it would therefore be useful to substantiate the cost estimate, indicating the average mileage per vehicle and the required amount for fuel with the related cost.

34. With regard to helicopter operations ($822,200), the Committee notes that provision is made for the commercial hiring of two helicopters for six months at an hourly rate of $1,142 per helicopter for a minimum of 60 flight hours per month (annex IV, sect. II, para. 5). The Committee is of the view that the monthly hire costs of $68,517 for one helicopter are high compared to other operations. The Committee further reiterates its recommendation that the Force Commander of ONUSAL review the proposed helicopter operations and keep the proposed requirements under review with a view to making economies (A/46/904, para. 23).

35. As regards communications ($116,300), the Committee notes that provision is made for communication equipment ($50,800), workshop and test equipment ($3,000), commercial communication ($56,500) and parts and supplies ($6,000) (annex IV, sect. II, para. 6). The Committee observes that the acquisition of new equipment should be specified in the Secretary-General's report, including the number of items and unit costs. In this connection, the Committee welcomes the tables contained in annexes XV and XVI on the distribution of transportation and communication equipment, generators and pre-fabricated buildings by office unit and geographical location as at 31 May 1993.

36. The Committee observes that no provision is made for audit services under supplies and services for the current period from 1 June to 30 November 1993 (annex IV, sect. II, para. 8 (a)). Considering the increasing functions of ONUSAL and the larger budgetary requirements as well as the high level of accidents, incidents of pilferage and increased costs of repairs (see para. 12 above), the Committee is of the view that audit services should be provided to ONUSAL for the current mandate period to ensure proper financial control.

37. With regard to public information ($280,000) (annex IV, sect. II, para. 8 (e)), the Committee notes that the planned activities will be carried out in the mission area at an average cost of $46,700 per month. The Committee observes that the public information costs almost doubled since the last mandate period although it stated in its last report (A/47/900, para. 19) that it was not convinced of the need to provide such assistance and reiterated its request to achieve maximum economy in this area. Bearing in mind that the revised programme budget of the United Nations for the biennium 1992-1993 provides, under section 31, $111.8 million for public information, including an increase of $8.8 million, and that a large part is allocated for promotional services covering peace and security and in particular activities relating to peace-keeping operations, the Committee is of the view that these activities could be covered from the regular programme budget (A/46/904, paras. 25 and 26; and A/46/916, para. 71).

38. As regards the provision for death and disability awards ($90,000) for potential claims in this regard (annex IV, sect. II, para. 10), the Committee reiterates its view that the estimated compensation needs to be substantiated, indicating payments made during the previous mandate period and the related number of beneficiaries (A/47/763, para. 23).

39. The Committee recalls with regard to the provision of $777,600 under the support account (annex IV, sect. II, para. 11) that 8.5 per cent of the total cost for salaries, common staff costs and travel of the civilian staff in the mission area may not be fully required for operations with a large civilian

establishment such as ONUSAL. The Committee intends to review this ratio and the methodology in the context of its consideration of the Secretary-General's report on the support account to the General Assembly.

40. Considering the Committee's observations in the preceding paragraphs and the number of areas where savings can be achieved, the Advisory Committee recommends that the General Assembly appropriate the amount of $18 million gross for the period 1 June to 30 November 1993.

41. As regards the unutilized balance of $1,813,985 of ONUCA in the ONUSAL/ONUCA special account (para. 38 (d)), the Committee points out that the General Assembly, in paragraph 9 of its resolution 47/223 of 16 March 1993, decided that the remaining unencumbered balance of ONUCA should be credited to Member States against their assessed contributions for the next mandate period of ONUSAL, should the Security Council decide to renew the mandate of the Mission beyond 31 May 1993, or be made available to set off the assessed contributions of Member States for other peace-keeping operations. The Committee therefore recommends that the unutilized balance of $1,813,985 in the ONUSAL/ONUCA special account be credited to Member States against their assessments of $18 million gross for ONUSAL for the period 1 June to 30 November 1993, resulting in assessments of $16,186,015 gross.

42. With regard to the period after 30 November 1993, the Committee recommends that the Secretary-General submit revised cost estimates to the General Assembly, should the Security Council decide to extend the mandate of ONUSAL beyond that date, including for the liquidation of the Mission, on the basis of a detailed performance report for the current mandate period, taking into account the Committee's observations in the paragraphs above.

43. As regards the Secretary-General's proposal to apply the special arrangements as regards article IV of the Financial Regulations (paras. 32-34) to ONUSAL, the Committee concurs in his request on an exceptional basis, taking into account the particular circumstances of ONUSAL and its financial status, on the understanding that the relevant provisions of General Assembly resolution 45/265 of 17 May 1991 were intended for the United Nations Transition Assistance Group (UNTAG) and not for across-the-board application in all peace-keeping operations. In this connection, the Committee recommends that the Secretary-General enhance his communication with troop-contributing States so that the Member States concerned submit the relevant information and claims under the Financial Regulations in a timely manner.

44. With regard to the Secretary-General's statement in paragraph 27 of his report concerning the need for continuing financial authorization for peace-keeping operations in the event that the requirements for extensions or enlargements exceed the provisions of General Assembly resolution 46/187 of 20 December 1991 on unforeseen and extraordinary expenses, the Committee cautions against such a continuous practice. In this connection, the Committee reiterates its view that the Secretary-General streamline procedures to expedite the issuance of his reports on the financing of peace-keeping operations, thus enabling the General Assembly to take appropriate action in a timely manner.